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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff

v.

JOHN F. THOMAS [aka JOHN RODGERS,
JONATHAN WEST, JOHN FRANK, and
JOHN MARSHALL], THOMAS BECKER,
DOUGLAS MARTIN, PAUL HANSON,
DAMIAN OSTERTAG, EINSTEIN SPORTS
ADVISORY, LLC, QSA, LLC, VEGAS
BASKETBALL CLUB, LLC, VEGAS
FOOTBALL CLUB, LLC, WELLINGTON
SPORTS CLUB, LLC, WELSCORP, INC.,
and EXECUTIVE FINANCIAL SERVICES,
INC.,

Defendants

Case No.: 2:19-cv-01515-APG-VCF

**AMENDED¹ PRELIMINARY
INJUNCTION AND ORDER (1)
FREEZING ASSETS, (2) PROHIBITING
THE DESTRUCTION OF DOCUMENTS,
AND (3) REQUIRING ACCOUNTINGS**

[ECF No. 6]

Plaintiff Securities and Exchange Commission (SEC) filed a motion for preliminary injunction. ECF No. 6. After briefing by the parties and a hearing on December 4, 2019, I find as follows:

- A. This court has jurisdiction over the parties to, and the subject matter of, this action.
- B. Good cause exists to believe that:
- (1) Defendants Douglas Martin, Executive Financial Services, Inc. (EFS), and Paul Hanson, have engaged in, are engaging in, and are about to engage in transactions, acts, practices and courses of business that constitute

¹ This amended injunction and order deletes references to defendants Thomas and Becker from section X. They were included in the original injunction due to my clerical error.

1 violations of Sections 5(a) and 5(c) of the Securities Act of 1933
2 (“Securities Act”) (15 U.S.C. §§ 77e(a), 77e(c));

3 (2) Defendants John F. Thomas, Thomas Becker, Wellington Sports Club,
4 LLC (Wellington), Welscorp, Inc. (Welscorp), Einstein Sports Advisory,
5 Ltd. (ESA), Quantum Sports Advisory, LLC (QSA), Vegas Basketball
6 Club, LLC (VBC) and Vegas Football Club, LLC (VFC) (collectively, the
7 Six Entities) have engaged in, are engaging in, and are about to engage in
8 transactions, acts, practices and courses of business that constitute
9 violations of Section 17(a) of the Securities Act (15 U.S.C. § 77q(a)) and
10 Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”)
11 (15 U.S.C. § 78j(b)) and Rule 10b-5 thereunder (17 C.F.R. § 240.10b-5);
12 and

13 (3) Defendants Martin, Hanson, and EFS have engaged in, are engaging in,
14 and are about to engage in transactions, acts, practices and courses of
15 business that constitute violations of Section 15(a) of the Exchange Act
16 (15 U.S.C. §§ 78o(a)).

17 C. The SEC has demonstrated (1) a prima facie case that one or more violations of
18 the securities laws have occurred and (2) a reasonable likelihood that the
19 violations will be repeated.

20 I.

21 I HEREBY GRANT that the SEC’s Motion (ECF No. 6) in part.

22 II.

23 I FURTHER ORDER that defendants Martin, Hanson, and EFS, and their officers,
agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active
concert or participation with any of them who receive actual notice of this Order, by personal
service or otherwise, are preliminarily enjoined from, directly or indirectly, in the absence of any
applicable exemption:

- 1 A. unless a registration statement is in effect as to a security, making use of any
2 means or instruments of transportation or communication in interstate commerce
3 or of the mails to sell such security through the use or medium of any prospectus
4 or otherwise;
- 5 B. unless a registration statement is in effect as to a security, carrying or causing to
6 be carried through the mails or in interstate commerce, by any means or
7 instruments of transportation, any such security for the purpose of sale or for
8 delivery after sale; or
- 9 C. making use of any means or instruments of transportation or communication in
10 interstate commerce or of the mails to offer to sell or offer to buy through the use
11 or medium of any prospectus or otherwise any security, unless a registration
12 statement has been filed with the SEC as to such security, or while the registration
13 statement is the subject of a refusal order or stop order or (prior to the effective
14 date of the registration statement) any public proceeding or examination under
15 Section 8 of the Securities Act, 15 U.S.C. § 77h in violation of Section 5 of the
16 Securities Act, 15 U.S.C. § 77e.

17 **III.**

18 IT IS FURTHER ORDERED that defendants Thomas, Becker, Wellington, Welscorp,
19 ESA, QSA, VBC, VFC, and their officers, agents, servants, employees, attorneys, subsidiaries
20 and affiliates, and those persons in active concert or participation with any of them, who receive
21 actual notice of this Order, by personal service or otherwise, are preliminarily enjoined from,
22 directly or indirectly, in the offer or sale of any securities, by the use of any means or instruments
23 of transportation or communication in interstate commerce or by the use of the mails:

- 21 A. employing any device, scheme or artifice to defraud;
- 22 B. obtaining money or property by means of any untrue statement of a material fact
23 or any omission to state a material fact necessary in order to make the statements

1 made, in light of the circumstances under which they were made, not misleading;
2 or

3 C. engaging in any transaction, practice, or course of business which operates or
4 would operate as a fraud or deceit upon the purchaser;
5 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a)

6 **IV.**

7 IT IS FURTHER ORDERED that defendants Thomas, Becker, Wellington, Welscorp,
8 ESA, QSA, VBC, VFC, and their officers, agents, servants, employees, attorneys, subsidiaries
9 and affiliates, and those persons in active concert or participation with any of them, who receive
10 actual notice of this Order, by personal service or otherwise, are preliminarily enjoined from,
11 directly or indirectly, in connection with the purchase or sale of any security, by the use of any
12 means or instrumentality of interstate commerce, or of the mails, or of any facility of any
national securities exchange:

13 A. employing any device, scheme or artifice to defraud;

14 B. making any untrue statement of a material fact or omitting to state a material fact
15 necessary in order to make the statements made, in the light of the circumstances
under which they were made, not misleading; or

16 C. engaging in any act, practice, or course of business which operates or would
17 operate as a fraud or deceit upon any person;
18 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5
19 thereunder, 17 C.F.R. § 240.10b-5.

20 **V.**

21 IT IS FURTHER ORDERED that defendants Martin, Hanson, and EFS and their agents,
22 servants, employees, attorneys, and affiliates, and those persons in active concert or participation
23 with any of them, who receive actual notice of this Order, by personal service or otherwise, are
preliminarily enjoined from, directly or indirectly, effecting transactions in, or inducing or
attempting to induce the purchase or sale of, securities without being registered with the SEC, or

1 affiliated with a broker-dealer registered with the SEC in violation of Section 15(a) of the
2 Exchange Act, 15 U.S.C. § 78o(a).

3 **VI.**

4 IT IS FURTHER ORDERED that defendants Thomas and Becker, and their agents,
5 servants, employees, attorneys, and affiliates, and those persons in active concert or participation
6 with any of them, who receive actual notice of this Order, by personal service or otherwise, are
7 preliminarily enjoined from, directly or indirectly, including through any entity owned or
8 controlled by them, participating in the issuance, purchase, offer, or sale of any security in an
9 unregistered offering provided, however, that such injunction shall not prevent them from
10 purchasing or selling securities for their own personal accounts.

10 **VII.**

11 IT IS FURTHER ORDERED that, except as otherwise ordered by this court, defendants
12 Thomas, Becker, Wellington, Welscorp, ESA, QSA, VBC, and VFC, and their officers, agents,
13 servants, employees, attorneys, subsidiaries and affiliate, and those persons in active concert with
14 them, who receive actual notice of this Order, by personal service or otherwise, are preliminarily
15 enjoined from, directly or indirectly, transferring, assigning, selling, hypothecating, changing,
16 wasting, dissipating, converting, concealing, encumbering, or otherwise disposing of, in any
17 manner, any funds, assets, securities, claims or other real or personal property, including any
18 notes or deeds of trust or other interest in real property, wherever located, of defendants Thomas,
19 Becker, Wellington, Welscorp, ESA, QSA, VBC, and VFC, or their subsidiaries or affiliates,
20 owned by, controlled by, managed by or in the possession or custody of any of them and from
21 transferring, encumbering, dissipating, incurring charges or cash advances on any debit or credit
22 card of defendants Thomas, Becker, Wellington, Welscorp, ESA, QSA, VBC, and VFC, or their
23 subsidiaries and affiliates.

22 **VIII.**

23 IT IS FURTHER ORDERED that, except as otherwise ordered by this court, an
immediate freeze shall be placed on all monies and assets (with an allowance for necessary and

reasonable living expenses, which might include legal fees, to be granted only upon good cause shown by application to the court with notice to and an opportunity for the SEC to be heard) in all accounts at any bank, financial institution or brokerage firm or Internet or “e-commerce” payment processor, all certificates of deposit, and other funds or assets, held in the name of, for the benefit of, or over which account authority is held by Defendants Thomas, Becker, Wellington, Welscorp, ESA, QSA, VBC, and VFC, including but not limited to, the accounts listed below:

<u>Account Holder</u>	<u>Bank</u>	<u>Account</u>
John F. Thomas III	Aloha Pacific Federal Credit Union	xxxx0030
Vegas Basketball Club LLC	American First National Bank	xxxx1504
No-More-Bad-Hires Inc	Bank of America	xxxx9049
Vegas Football Club LLC	Bank of America	xxxx3801
Vegas Football Club LLC	Bank of America	xxxx7210
Vegas Basketball Club LLC	Bank of America	xxxx8189
Vegas Basketball Club LLC	Bank of America	xxxx8192
Welscorp Inc	Bank of America	xxxx6257
Sports Biometrics LLC	Bank of America	xxxx0188
ESAP LTD	Bank of George	xxxx2366

<u>Account Holder</u>	<u>Bank</u>	<u>Account</u>
ESA LTD	Bank of Nevada	xxxx3753
Wellington Sports Club LLC	Bank of the West	xxxx9228
QSA LLC	Bank of the West	xxxx4937
Thomas Joseph Becker	Bank of the West	xxxx5082
Thomas J Becker	Citibank	xxxx7862
Boston Biometrics LLC	Citibank	xxxx0183
No-More-Bad-Hires Inc	Citibank	xxxx6907
QSA LLC	Citibank	xxxx3671
Sports Psychometrics LLC	Citibank	xxxx0894
Thomas J Becker	Citizens Bank	xxxx8294
ESA LTD	JPMorgan Chase Bank	xxxx9386
ESA LTD	Meadows Bank	xxxx4424
John Thomas	Midcountry Bank	
John F Thomas/Einstein Sports Advisory LTD	Nevada State Bank	xxxx7518

<u>Account Holder</u>	<u>Bank</u>	<u>Account</u>
ESA LTD	Nevada State Bank	xxxx4947
Thomas J Becker dba ESA LTD	US Bank	xxxx0008
Thomas J Becker	US Bank	xxxx0504
Thomas J Becker dba QSA LLC	US Bank	xxxx8128
Thomas Becker	USAA	xxxx6969
Welscorp Inc	Wells Fargo	xxxx6502
Thomas J Becker	Wells Fargo	xxxx2620
Welscorp Inc	Wells Fargo	xxxx6666
Vegas Football Club LLC	Wells Fargo	xxxx2628
John F Thomas	Wells Fargo	xxxx7399
QSA LLC	Wells Fargo	xxxx6482

IX.

IT IS FURTHER ORDERED that, except as otherwise ordered by this court, defendants Thomas, Becker, Wellington, Welscorp, ESA, QSA, VBC, and VFC, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or

1 otherwise, are preliminarily enjoined from, directly or indirectly: destroying, mutilating,
2 concealing, transferring, altering, or otherwise disposing of, in any manner, any documents,
3 which includes all books, records, computer programs, computer files, computer printouts,
4 contracts, emails, correspondence, memoranda, brochures, or any other documents of any kind in
5 their possession, custody or control, however created, produced, or stored (manually,
6 mechanically, electronically, or otherwise), pertaining in any manner to Thomas, Becker,
7 Wellington, Welscorp, ESA, QSA, VBC, VFC, Martin, Hanson, and EFS.

X.

8 IT IS FURTHER ORDERED that defendants Wellington, Welscorp, ESA, QSA, VBC,
9 and VFC, within 30 days of the issuance of this Order, shall prepare and deliver to the SEC a
10 detailed and complete schedule of all of their personal assets, including all real and personal
11 property exceeding \$5,000 in value, and all bank, securities, and other accounts identified by
12 institution, branch address and account number. The accounting shall include a description of
13 the sources of all such assets. Such accounting shall be filed with the court under seal and a copy
14 shall be delivered to the SEC's Los Angeles Regional Office to the attention of Lynn M. Dean,
15 Senior Trial Counsel. The SEC and counsel shall maintain the information and documents as
16 confidential, as befitting a document filed under seal. After completion of the accounting, each
17 of these defendants shall produce to the SEC's Los Angeles Regional Office, at a time agreeable
18 to the SEC, all books, records and other documents supporting or underlying their accounting as
19 approved by the Magistrate Judge.

XI.

20 IT IS FURTHER ORDERED that any person who receives actual notice of this Order by
21 personal service or otherwise, and who holds, possesses or controls assets exceeding \$5,000 for
22 the account or benefit of any of defendants Thomas, Becker, Wellington, Welscorp, ESA, QSA,
23 VBC, and VFC, shall within 14 days of receiving actual notice of this Order provide counsel for

1 the SEC with a written statement identifying all such assets, the value of such assets, or best
2 approximation thereof, and any account numbers or account names in which the assets are held.

3 DATED this 6th day of December, 2019.

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5 ANDREW P. GORDON
6 UNITED STATES DISTRICT JUDGE
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